

B. Cost Comparisons

In a study undertaken for the Task Force, the cost competitiveness of Canadian carriers was assessed within the limits of what was possible with available data.³⁵ This study compared Canadian carriers with six major U.S. carriers and ten non-U.S. carriers.³⁶ The study compared the carriers on a number of criteria, including prices paid for inputs, productivity, unit costs financial performance, and economies of scale. Much of the focus was on a comparison to U.S. carriers since they are generally considered to be among the most efficient in the world. Some of the report's major findings include:³⁷

Input Prices

- Compensation per employee is 21 percent lower in Canada than in the U.S.³⁸

³⁵ M.W. Tretheway, *The Cost Competitiveness of Canadian Carriers*, Faculty of Commerce and Business Administration, University of British Columbia, June 1991. A copy of this study is attached in the research reports volume of the Task Force Report.

³⁶ For some of the cost measures displayed below, data was not available for all sixteen non-Canadian carriers. All available data is displayed.

³⁷ Figures or tables underlying the points made are provided for some items listed below. For others, please refer to Tretheway, supra.

³⁸ 1989 data. The 1989 average U.S.-Canadian dollar exchange reported by the Bank of Canada was used. Raw data were CA\$41,889 average compensation per employee for Level I Canadian carriers versus US\$44,600 for U.S. Major and National Carriers.